

**LOK SABHA
UNSTARRED QUESTION NO. 6429
TO BE ANSWERED ON 02nd April, 2026**

LPG Supply Resilience amid Global Disruptions

6429 Dr. Amar Singh:

पेट्रोलियम एवं प्राकृतिक गैस मंत्री

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the Government has assessed the impact of global energy supply disruptions and geopolitical tensions in West Asia on LPG imports and domestic availability in the country and if so, the details thereof;
- (b) the details of initiatives undertaken by the Government to manage LPG supply chains including measures to enhance domestic production and regulate distribution among consumer categories; and
- (c) the initiatives proposed to be taken by the Government to strengthen country's LPG supply resilience and to prevent similar shortages in future?

ANSWER

**पेट्रोलियम एवं प्राकृतिक गैस मंत्रालय में राज्यमंत्री
(श्री सुरेश गोपी)**

**MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI SURESH GOPI)**

(a) & (b): India imports about 60 percent of its LPG consumption, out of which about 90 percent transits through the Strait of Hormuz. In view of the ongoing geopolitical developments in West Asia, the availability of imported LPG in the country has been impacted. The Government has undertaken a series of proactive measures to ensure stability in LPG supplies. These include prioritization of domestic LPG consumption, diversification of import sources, dynamic stock management, and inter-regional allocation to address localized shortages.

To boost domestic production of LPG for current usage, Government, on 9th March 2026, has issued directions to all oil refining companies, including petrochemical complexes, that the entire output of C3 and C4 hydrocarbon streams—such as propane, butane, propylene and butenes—is utilised exclusively for LPG production and supplied only to the Public Sector Oil Marketing Companies (IOCL, HPCL and BPCL). Further, refineries were also instructed not to divert these streams for manufacture of petrochemical products or any downstream derivatives. OMCs have been directed to ensure that the LPG so produced is supplied exclusively to domestic LPG consumers. As a result of these initiatives, domestic LPG production has been increased by 40 per cent.

While domestic LPG supplies have been prioritised, commercial LPG supplies were initially impacted. Subsequently, Government restored partial supplies of 20% to commercial consumers, which was further enhanced to an overall allocation of 50%, including 10% linked to PNG expansion reforms. This allocation has been prioritised for key sectors such as restaurants, dhabas, hotels, industrial canteens, food processing and dairy units, subsidised canteens run by State Governments or local bodies, community kitchens, and 5 kg FTL cylinders for migrant labourers. From 14.03.2026 to 21.03.2026, approximately 15,440 MT of commercial LPG has been uplifted across States and UTs. Additionally, educational institutions and hospitals continue to receive priority, accounting for around 50% of the total commercial LPG allocation.

In continuation of these measures, Government has further enhanced allocation of commercial LPG by an additional 20%, taking the total allocation to 70% of the pre-crisis level (including the 10% reform-linked component). This additional allocation is being prioritised for labour-intensive and core industrial sectors, including steel, automobile, textile, dye, chemicals and plastics, with preference to process industries and those requiring LPG for specialised heating purposes where substitution with natural gas is not feasible.

Entities seeking allocation under this additional 20% are required to comply with existing conditions relating to registration with OMCs and application for PNG connections to CGD entities, as stipulated earlier. However, in cases where LPG is required for specialised process use that cannot be substituted by natural gas, such requirements are being waived.

Oil Marketing Companies (OMCs) have constituted a three-member Committee at the Executive Director level to oversee and ensure rationalised and equitable distribution of commercial LPG across States. States/UTs have also been advised to expedite implementation of PNG-related reforms to avail the additional 10% reform-linked allocation.

City Gas Distribution (CGD) entities have also been advised by the Government of India to prioritize the provision of Piped Natural Gas (PNG) connections to commercial establishments such as restaurants, hotels, and canteens across their authorized Geographical Areas, with a view to addressing concerns relating to the availability of commercial LPG. Further, Government of India has requested the Governments of States/Union Territories to expedite the approval of applications required for the expansion of CGD networks.

(c): Government has undertaken several proactive measures to reduce import dependence and enhance energy security in the medium to long term. In this regard, Government has requested all Central Government Ministries/Departments to carry out a comprehensive assessment of the potential demand for PNG connections in establishments under their jurisdiction, and to designate a nodal officer in each Ministry/Department to coordinate this exercise. Pursuant to the aforesaid directions, the Petroleum and Explosives Safety Organisation (PESO) has instructed all its offices to accord priority to CGD-related applications and ensure their disposal within 10 days of receipt.

Further, strengthening of the supply chain and infrastructure has been undertaken through expansion of refining capacity, augmentation of LPG import terminals, pipelines, bottling plants and storage facilities to ensure efficient nationwide distribution. Government is also promoting alternative fuels by increasing the share of natural gas in the energy mix through expansion of City Gas Distribution (CGD) networks and Piped Natural Gas (PNG). In addition, emphasis is being laid on renewable energy development, including solar, wind, bioenergy and green hydrogen, alongside implementation of energy efficiency measures across sectors. Ethanol blending and other biofuels are also being promoted to reduce import dependence and enhance energy sustainability.

Strategically, diversification of LPG imports is being pursued to ensure supply security and mitigate risks arising from regional disruptions or geopolitical events. As part of this strategy, PSU OMCs have recently concluded contracts for the import of approximately 2.2 Million Metric Ton (MMT) of US-origin LPG for the calendar year 2026, covering nearly 10% of the country's total LPG import requirement. This marks a significant step in strengthening India's energy resilience by establishing a reliable alternate LPG supply source outside the traditional Arab Gulf region.
